# Marketing Healthcare Centers & Hospitals
# Session 6
# Developing Customer Loyalty


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# Marketing Relationship

- Marketing relationship has the aim of building mutually satisfying long-term relationships with key parties: e.g. customers, suppliers, distributors,…….
- Marketing Relationship is to develop a strategy that shifts the organization's thinking from getting the patient to come to the clinic, to a relationship focus of longer term loyalty


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# Customer Relationship Management

Customer Relationship Management (CRM) is the core of an effective marketing relationship strategy.

The ultimate goal of CRM is retaining customers through the collection and sharing of information across the organization.

An effective CRM approach includes both software applications and business strategies that forecast, interpret, and respond to target market needs.


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# Customer Relationship Management

The key factors identified for developing an effective CRM are:

1- Customers should be recognized as key assets to any organization.

2- Customers vary in their preferences, needs, and buying behaviors.

3- By better understanding customers need, an organization can better tailor their service offering to maximize the value to customers.


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# Marketing Relationship

-A good product or well delivered service is one that meets the standards of the producer or the provider.

-In relationship marketing context, the focus shifts more to what the customer defines as value from the encounter.

- *Value = ----------*

-Example : in hospitals it is more than just seeing a very competent physician, the value might be in terms of a clear explanation, timely access to the physician, or a one stop system where prescriptions can also be obtained.


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# Marketing Relationship

In no area is a relationship marketing perspective more significant than in that of quality.

Few health care provider organizations would disagree that quality is essential.


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# Marketing Relationship

## Transaction Marketing

**(One - way communication)**

- Focus on single sale.
- Orientation on product features
- Short time scale.
- Little customer service.
- Limited customer commitment.
- Moderate customer contract.
- Quality is the concern of production

## Relationship Marketing

**(Two - way communication)**

- Focus on customer retention
- Orientation on product benefits
- Long time scale.
- High customer service.
- High customer commitment.
- High customer contract.
- Quality is the concern of all.


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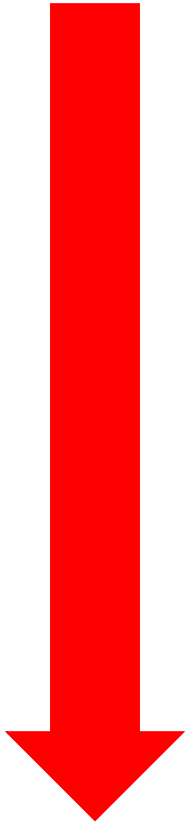
# 5 levels of patient relationship



1. Basic relation
2. Reactive relation
3. Accountable relation
4. Proactive relation
5. Partnership relation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# What Do patients Care Most About ?


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# Patients Care About

- Tangibles
- Reliability
- Responsiveness
- Assurance
- Empathy

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# Tangibles

The appearance of Physical Facilities, Equipment, Personnel , Communications and Materials inside the medical organization.

# Reliability

- The ability to perform **promised service** dependably and accurately
- **Accuracy of the hospital bill**
- Arrival of physicians **on time**

**General Hospital Medical Center**

Patient Account No.
0120 24 779-01

Patient Name
Jane Doe

Admission Date
10-22-94

Diagnosis
Inguinal Hernia/Repair

Discharge date
10-25-94

| Service Date | Description | Service Code | Amount |
|---|---|---|---|
| 10-22-94 | Admission charge | 05010000 | 67.00 |
| 10-22-94 | Med/Surg Semi-Private Room | 85100900 | 194.00 |
| 10-22-94 | Chest X-Ray 2 Views | 17102000 | 29.60 |
| 10-22-94 | Routine Urinalysis | 62289340 | 8.54 |
| 10-22-94 | Chemistry 7 | 62095101 | 19.61 |
| 10-22-94 | Misc Pharmacy | 19135995 | 8.44 |
| 10-23-94 | Med/Surg Semi-Private Room | 85100900 | 194.00 |
| 10-23-94 | Lab Surcharge Stat Emergency | 62274090 | 36.80 |
| 10-23-94 | Chest X-Ray 2 Views | 17102000 | 29.60 |
| 10-23-94 | Surgery 1 hour 30 min | 21010201 | 375.15 |
| 10-23-94 | Anesthesia Spinal | 32001088 | 65.41 |
| 10-23-94 | Stapler Skin | 32007822 | 49.40 |
| 10-23-94 | OR-Suture Disp Clip | 32002510 | 105.23 |
| 10-23-94 | Surgical Supplies | 32004090 | 214.84 |
| 10-23-94 | Path Specimen | 62683051 | 76.29 |
| 10-24-94 | Med/Surg Semi-Private Room | 85100900 | 194.00 |
| 10-24-94 | Misc thora Drain | 75107300 | 74.15 |
| 10-24-94 | Erythromycin 250 T ab (X2) | 19130105 | 2.22 |
| 10-24-94 | Misc Pharmacy | 19135005 | 6.48 |
| 10-25-94 | Med/Surg Semi-Private Room | 85100900 | 194.00 |

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# Responsiveness

- The willingness to help patients and provide prompt service
- A nurse answering a patient request rapidly

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# Assurance

- The **knowledge and politeness of employees** and their ability to convey trust and confidence.

- A highly **trained resident doctors** who can answer patient questions efficiently

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# Empathy

## Sympathy

is when you feel sorry for someone, it doesn't mean you necessarily feel the same way, it doesn't require you to actually understand the person's situation, but rather just hope it improves.

## Empathy

-is an actual understanding that comes from the ability to put yourself in someone else's shoes, you actually understand how they are feeling right now

-The individualized caring attention

which the hospital provides to its patients

-A nurse counseling a heart patient

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# Patient loyalty

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# THE LEAKING BUCKET

**Reasons for losing patients:**

**1%** death

**3%** relocation

**14%** better offer

**14%** dissatisfaction with medical service specification… etc.

**68%** poor service, customer care


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# Satisfaction or Loyalty

Several studies have found that a customer can be satisfied, but that same customer might even be lost?

*Satisfaction in and of itself is not sufficient.*

Thus, satisfaction is not the end state that marketers must work to achieve.


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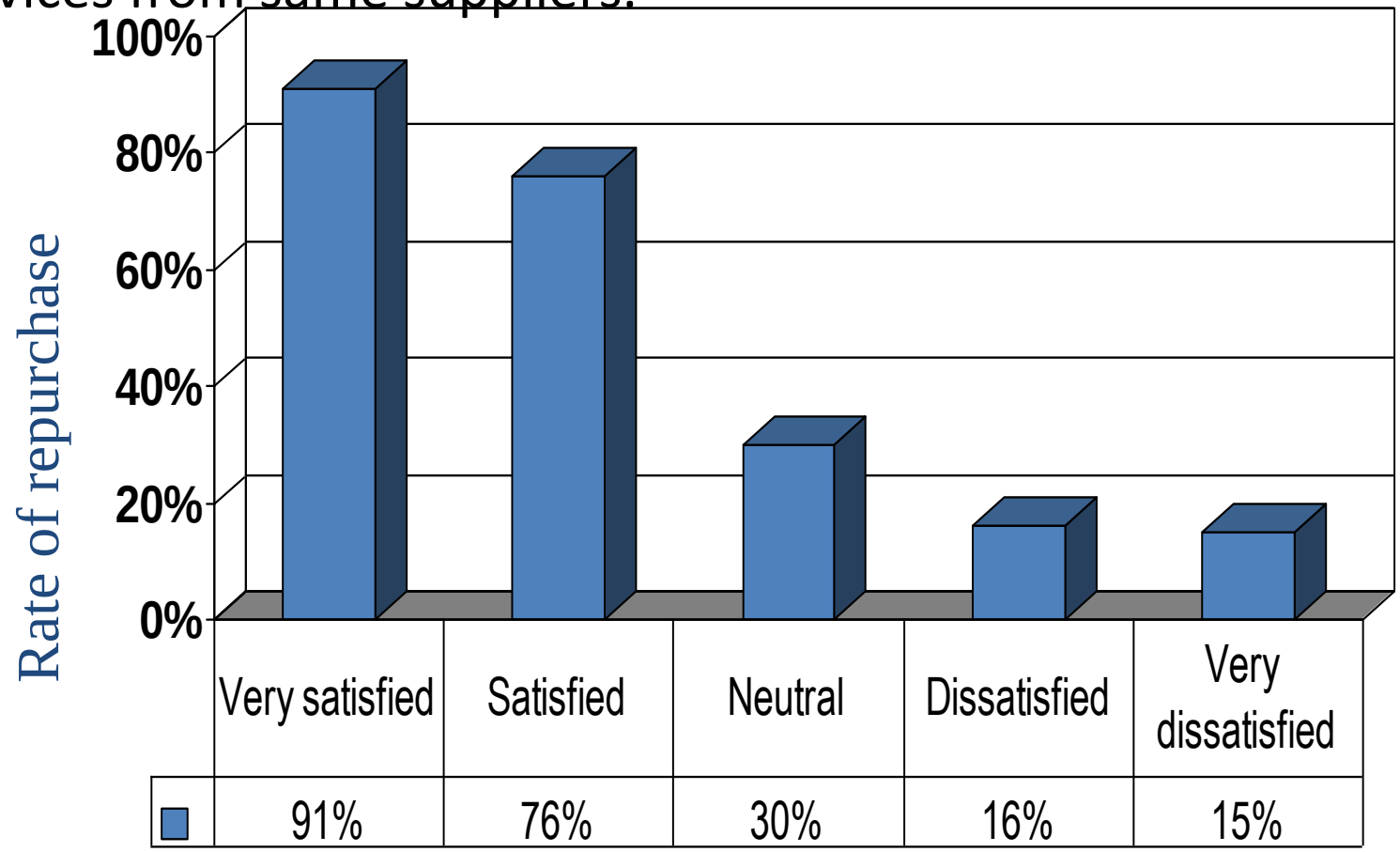
# From customer acquisition to customer loyalty

Surveys indicated that very satisfied patients of their relationship with their medical providers are highly tending to repurchase their services from same suppliers.





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# Positive word of mouth

The average satisfied patient tells **3** others about good experiences while dissatisfied patient tells **10** others about his bad experiences


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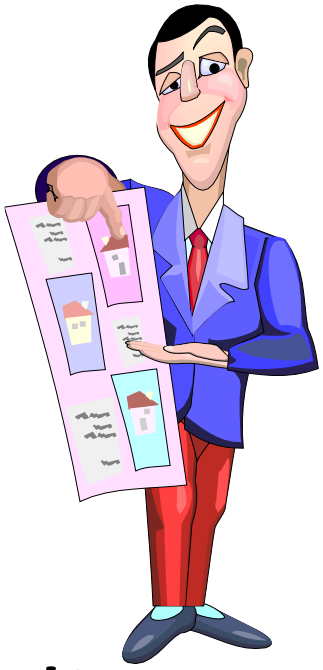

The cost of finding new patient is

**6** times more than the cost of serving existing patients


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# Developing a Customer Recovery System

**Customer recovery** is essential in a service business.

With manufacturing businesses, zero defects are an attainable goal, however, (Zero problems) is not a realistic goal in a service business.


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# Developing a Customer Recovery System

Moreover, in health care the challenge is particularly acute, given that it is a service delivered to people who come to the provider in various levels of emotional distress.


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# Developing a Customer Recovery System

Despite the importance of customer recovery, most businesses continue to focus on obtaining new patients or referrals and spend less time maintaining exiting customers.

Recovery is very important, 68% of customers leave because of benign neglect.


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# Developing a Customer Recovery System

The following critical components are essential for the successful implementation of a customer recovery system:

1- Focused recovery training must be conducted with all employee.

2- Recovery standards must exists.

3-The organization must be easy to complain to.

4- Frontline employees must see themselves as part of the system.

5- Employees need to believe they are part of a quality conscious organization.


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# SATISFIED patients….

- …are easier to deal with
- …take up less time
- …spend more money long term
- …tell other people
- …lead to satisfied staff - higher motivation
- …are less likely to move to a competitor
- …are advocates

**(loyal patient)**


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